

(5) A relative who does not have custody of the beneficiary but is contributing toward the beneficiary's support and is demonstrating concern for the beneficiary's well-being;

(6) A relative or close friend who does not have custody of the beneficiary but is demonstrating concern for the beneficiary's well-being; and

(7) An authorized social agency or custodial institution.

§ 10.162 Responsibilities of a representative payee.

A representative payee has a responsibility to—

(a) Spend or invest payments received only for the use and benefit of the beneficiary in a manner and for the purposes he or she determines to be in the best interests of the beneficiary, subject to the guidelines contained in § 10.163;

(b) Notify the Office of any event that would affect the amount of benefits the beneficiary receives or the right of the beneficiary to receive benefits;

(c) Submit to the Office, upon its request, a written report accounting for the benefits received; and

(d) Notify the Office of any change in the payee's circumstances that would affect performance of the payee's responsibilities.

§ 10.163 Use of benefit payments.

To assure that the general welfare of the beneficiary is properly served, benefit payments received by a representative payee shall be used in the following manner, and in the prescribed order:

(a) Current maintenance, including costs incurred in obtaining food, shelter, clothing, medical care, and personal comfort items.

(b) Institutional care, including the customary charges made by the institution, as well as expenditures for those items which will aid in the beneficiary's recovery or release from the institution or expenses for personal needs which will improve the beneficiary's conditions while in the institution.

(c) Support of the beneficiary's legal dependents after current maintenance

needs or institutional care of the beneficiary are met; and

(d) Claims of creditors only if the current and reasonably foreseeable needs of the beneficiary are met.

§ 10.164 Conservation and investment of benefit payments.

If payments either in whole or in part are not needed for any of the purposes listed in § 10.163 of this part, they shall be conserved or invested on behalf of the beneficiary in non-speculative accounts. Conserved funds should be invested in accordance with rules followed by trustees. Any investment must show clearly that the payee holds the property in trust for the beneficiary. Preferred investments for excess funds are U.S. Savings Bonds and deposits in an interest or dividend paying account in a bank, trust company, credit union, or savings and loan association which is insured under either Federal or State law. The account must be in a form which shows clearly that the representative payee has only a fiduciary and not a personal interest in the funds. The account should provide for withdrawal upon demand without penalty. The interest and dividends, as well as all other profits, which result from an investment are the property of the beneficiary and may not be considered to be the property of the payee.

§ 10.165 Termination of representation.

The services of a representative payee may be terminated when:

(a) The payee has not used the funds in the interests of the beneficiary as stipulated in this subpart;

(b) The payee has not discharged other responsibilities described in this subpart, or has not done so in a timely manner;

(c) The payee dies, wishes to be discharged from responsibility, or is unable to carry out the responsibilities of payee;

(d) The Office, after receipt of competent evidence, determines that the beneficiary is capable of managing his or her own funds; or

(e) A minor beneficiary attains majority.